



Let's Fix our Future

Building a new business plan for Britain



**FUTURE
ECONOMY ALLIANCE**

A business plan for Britain

The economy is broken. Join millions working to fix it.

Our trains are cancelled, rivers are polluted, and people are having to choose between heating and eating – while companies behind public services record huge profits, little of which is reinvested to benefit British people. Local councils are going bankrupt, people are losing faith in democracy, high streets are empty and our NHS is on its knees.

At the heart of this is a broken system. ‘Business as usual’ isn’t working. Let’s fix our economy and build a stronger, fairer, greener future for the UK.

The Future Economy Alliance unites champions of change across business sectors who understand that profit must benefit people and planet. Our pioneering partnership brings together mission-led organisations: social enterprises, co-operatives, mutuals, employee-owned and community-led businesses, as well as social investors, economists, fundraisers and third sector experts.

We stand ready to guide the next Parliament through the bold economic reforms needed to fix our future. Let’s build a new business plan for Britain – one where all of society profits.

The Failure ► Our broken economy

The relationship between business, government and society

The Fix ► A movement of millions

A new generation of businesses on a mission for people and planet

The Future ► A new partnership

Government can empower mission-led organisations to fix our economy

Local power to communities

New rights, smarter taxes and power transfer for people to fix their own futures

People-powered green transition

Driven by communities through new models, laws and access to resources

Services for the public

Greater economic, environmental and social value from taxpayers’ money through openness and an end to profiteering

A fair industrial revolution

Future-proof the economy and empower working people through data democracy, skills and employment support

Help more business be mission-led

Fairer legislation, tax, unlocking finance and support to build the future of business

“We need a mindset change to move away from a society where business and government have separate tasks to one in which they, together with civil society, work hand in hand”
Klaus Schwab, World Economic Forum

Mission-led businesses currently represent around **5% of UK businesses**, create around **four million jobs** and as much as **10% of GDP**, re-investing more than **£1bn of profits** in communities.¹ If all businesses had a mission at their heart, UK GDP could be **7% larger**, the lowest paid workers could receive an average **£44/week pay rise**, investment as a percentage of GDP could **increase by 3%** and R&D expenditure could **increase by £135bn**.²

We propose that a Minister in the heart of government be responsible for driving cross-departmental strategy to fix our economy through measures including:

Local power to communities

- Introduce new community rights including a **Community Power Act**
- Create more mission-led, social and democratically owned businesses and assets
- Bring new life to high streets

Services for the public

- Ensure transparency and open book accounting for all public service providers
- Partner for more collaborative public services that prioritise people over profit
- Strengthen the **2012 Social Value Act**

A people-powered green transition

- Replicate the power and potential of community energy in other sectors
- Introduce a UK-wide Well-Being of Future Generations Act
- Ensure fair access to green investment and government spending

A fair industrial revolution

- Support the creation of a data owning democracy
- Unlock growth in businesses that empower working people and share wealth
- Provide inclusive and empowering skills and employment support

Help more businesses put a mission at their heart

- Ensure finance and funding reaches communities, from start-up to scale-up
- Reform tax incentives and guarantees to deliver more social and community investment
- Introduce the Better Business Act and wider corporate governance reform

Government plays a crucial role in shaping markets, enabling and facilitating our economic future – and must use existing tools effectively to promote the business behaviours we need. These policies are low and no cost vote winners. Mission-led organisations across the UK are already driving change; we need the next government to unleash this pool of limitless potential.

Let us fix our future.

¹ Based on aggregation of data from Co-operatives UK 'Co-operative and mutual economy' 2023, Employee Ownership Association 'The ownership dividend' 2018 and Social Enterprise UK 'State of social enterprise' 2023

² Demos 'The purpose dividend' 2023

The Failure

Business as usual isn't working

Our economic system is broken. The people of Britain are facing unprecedented challenges:

- Social inequalities are widening. The richest 10% of UK households own 43% of all wealth, while one in six people in Britain live in poverty.³
- Nothing works – Trains are cancelled, rivers are polluted, and high streets are failing. Public services are under unprecedented and compounding pressure, with local authorities going bankrupt and the NHS on its knees.
- Fewer than 35% of British people trust the government⁴ and this mistrust extends to big business and emerging technologies.
- With spiralling crises in housing, energy and the overall cost of living, many communities feel left behind.
- We're fighting global issues like climate change, the legacy of a once-in-a-lifetime pandemic and ongoing international conflicts.
- Our pursuit of growth is failing, we don't have the skilled workforce we need to drive progress, and productivity is stuck.

At the heart of each of these challenges is our broken economic system - out of date and out of control, failing to deliver economic prosperity, while also dumping environmental and social costs on communities, exacerbating inequality and injustice. Short-term financial pursuits too often undermine sustainable prosperity and lead to under-investment, lower productivity, wage growth and living standards. Business as usual is failing, hollowed out, off-shored, out-sourced, asset-stripped or run-down. The economy needs fixing.

The Fix

An economy where all of society profits

Across the UK, there are tens of thousands of mission-led organisations at the forefront of this movement, the next industrial revolution. These are businesses as a force for good, where society profits, working for people and planet. They represent around 5% of UK businesses, create around 4m jobs and as much as 9% of GDP, re-investing more than £1bn of profits in communities.

These diverse business models, united by their missions, are working every day to create sustainable wealth that makes our country stronger and fairer:

- Delivering health and social care, food, sustainable transport, affordable housing and clean energy where markets fail
- Reinventing high streets, saving pubs and venues, shops and community assets
- Reshaping boardrooms to be more representative of the people of Britain – led by women, people from minoritised ethnicities, workers and community stakeholders
- Paying taxes, fair wages and sharing wealth around
- Reducing carbon use, minimising waste and addressing biodiversity
- Creating 21st century jobs and opportunity

Mission-led organisations are resilient, ambitious, growing, innovative and often working in the toughest areas. From [the Onion Collective](#) in Watchet bringing pride back to a remote coastal town to [London Early Years Foundation](#) providing not-for-profit childcare, to [Social AdVentures](#) in Salford pioneering new models of health and care, these are the fixers.

³ House of Commons 'Poverty in the UK statistics' 2023

⁴ Office for National Statistics 'Trust in government, UK' 2022

The Future

Government partnership with businesses and communities

Mission-led organisations show how business can work better for everybody, sharing profits and power. Our future economy should be built on the pioneering models of these businesses, with people and planet at their heart.

No government can resolve such complex challenges alone; business can and must step up to drive progress and deliver the economy of the future. We can craft a new deal between the state, markets and communities, towards sustainable prosperity.

With government and business pulling in the same direction, we can build a new British economy that creates and spreads wealth and opportunity. We propose that a Minister in the heart of UK Government is given a mandate to drive cross-departmental strategy to support mission-led organisations, responsible and accountable for delivery of the following measures:

Local power to communities

Introduce new rights, smarter taxes and support to put power in people's hands to fix their own future.

A people-powered green transition

- Enable communities to drive green solutions through new models, laws and access to resources.

Services for the public

Harness greater economic, environmental and social value from taxpayers' money through openness and an end to profiteering.

A fair industrial revolution

Future-proof the economy through skills and employment support, data democracy and empowering working people.

Help more businesses put a mission at their heart

Unlock finance and support alongside fairer legislation and tax to build the future of business.

These policies have a wide ambition: to encourage all businesses to drive social or environmental benefits alongside profit. We know that government can play a crucial role in shaping markets, enabling and facilitating the future of business. The full potential of existing government incentives, support, tax and spend, investment, regulation and procurement must be effectively harnessed to promote positive business behaviour.

These policies are also untapped vote winners. They offer an inspiring vision, and one that UK voters want to see; 77% want businesses to be legally responsible for their impact.⁵

Mission-led organisations all over the country – and the millions of people working for them – show us the way to a stronger, fairer, greener economy. This pioneering movement has limitless potential, which the next government must unleash to fix our future.

Let's make a new business plan for Britain and build an economy where all of society profits.

Local power to communities

The UK's high concentration of deprivation in areas bypassed by economic growth has led to economic and political disenfranchisement. While the "levelling-up" agenda has lost momentum, the UK is held back by entrenched inequalities, leaving many people and places feeling overlooked and underserved. Devolution can shift political power, but devolving local economic power can give communities a chance to build their own better futures. We need more businesses run in communities, by communities and for communities.

*In an area of high deprivation, opposite Liverpool Football Club, is **Homebaked** – a bakery and café that provides vital employment and training opportunities as well as a vibrant community space. The neighbourhood landmark was at risk of being torn down when local residents and stakeholders saved it through a **crowdfunding campaign**, establishing a community land trust to be responsible for the building then transforming it into a successful business. Homebaked uses its profits to feed, employ and support the local community in one of the UK's most socioeconomically deprived regions.*

Organisations embedded in communities play a vital role, experimenting to find solutions to entrenched challenges, reinvigorating community assets and providing economic power to voices long unheard.

For communities to be empowered and enabled to build their own better futures, our next government can:

Introduce a Community Power Act

- Use the Act to provide a national Community Right to Buy local assets and spaces – as in Scotland⁶ - and a Community Right to help shape public services and determine local spending decisions.

Create and grow mission-led, social and democratically owned businesses and assets

- Provide more appropriate support and infrastructure to create and grow more mission-led, socially and democratically owned businesses and community-owned assets.
- Establish **Ownership Hubs** that raise awareness of alternative business models, provide access to training and business support, and enhance support to existing infrastructure (such as Social Enterprise Places).

Reform business rates and commit to Community Wealth Funds

- Stop business rates avoidance – when unscrupulous landlords and multi-chain operators place boxes inside otherwise empty premises to trigger a rates-free period which would enable the collection of an additional £250m in business rates.
- Introduce 75% business rates relief for Community Interest Companies and Community Benefit Societies.
- Enhance the use of Community Wealth Funds, particularly in left-behind and rural communities.

A people-powered green transition

The story of community energy shows the way forward for alternative solutions to critical utilities in the UK. Since the late 1990s, community energy grew by finding opportunities for smaller scale, decentralised energy activities in the UK's highly centralised energy system – but policy barriers have prevented the sector from reaching its full potential. In England, the last dedicated central government support for community energy ended in March 2022, without replacement.

Brighton Energy Co-op provides solar installation supported by Othe Community Solar Accelerator, a grant scheme it runs with the EU Development Fund to provide match-funding to businesses going solar. Bristol Energy Co-op developed a solar farm in Lawrence Weston, while the Big Solar Co-op has installed a 294kW solar system on the roof of Kerry T&N's Shropshire plant.

Government alone can't tackle the growing environmental crisis; business must help shift behaviour and find greener ways of working at scale. Mission-led models are driving green solutions, creating positive impact for people and planet. We must nurture regenerative business providing responsible and productive stewardship of land and assets, to help sustain biodiversity and deliver Net Zero.

To support a people-powered green transition, our next government can:

Transform critical infrastructure through community and steward ownership models

- Build partnerships between local councils and city regions, investing in community energy, waste, transport and water management – to create jobs, share ownership and profits,

and maximise the relevance of infrastructure developments to the communities they serve.

- Use the UK Infrastructure Act to embed community ownership in larger scale renewable energy assets.
- Put community energy at the front of the queue for grid connection by creating a “community right-to-connect”.

Introduce a UK-wide Well-Being of Future Generations Act

- Learn from equivalent legislation in Wales and around the world to introduce a Well-Being of Future Generations Act – providing foundations for the ambitions, permissions and legal obligations necessary to deliver long-term social, environmental and economic well-being.

Ensure fair access to green investment and government spending, for mission-led, socially and democratically-owned businesses

- Harness investment to drive businesses to lead in reuse, recycle, repair, retrofit and more.
- Establish a green investment fund for UK businesses, with some reserved for mission-led organisations. This will incentivise private investment in the “green” transition, facilitate growth of environmental mission-led businesses and support the wider community of mission-led organisations to adopt more sustainable practices.
- Set up a Treasury unit to assess effectiveness of funds in supporting the green economy, tracking business performance and private investment growth in climate-related initiatives.
- Repurpose the Bank of England's existing Term Funding Scheme (TFS) to set up a permanent green TFS and extend it to UK state-owned investment banks.
- Set out a national retrofit investment programme which provides opportunities to unlock and accelerate social and community-led delivery models.

Services for the public

The relationship between government and public service providers has huge unmet potential, because too little is done to incentivise productive business behaviours.

Public bodies spend over £300bn procuring goods, works and services from outside government each year – and yet around £37.5bn of UK public contracts are won by companies linked to tax havens, an estimated £12.5bn of tax revenues is lost each year, and public authorities often have no way of telling how much tax is paid by their suppliers.⁷

Mission-led models already play important roles in public services and utilities delivery, putting social value at the heart of the services they provide.

SUEZ recycling and recovery UK is a resource and waste management company that has radically evolved since inception in the 1980s to become a leading materials management business. SUEZ base day-to-day operations around the triple bottom line of people, planet and profit. SUEZ's successful bid for a Greater Manchester Combined Authority waste treatment contract hinged on having a 15% weighting on social value in the procurement phase.

To put the public back in public services, our next government can:

Ensure greater transparency on tax and profits

- Make all suppliers declare expected profit/surplus on contracts, and to report annually on actual profits/surplus during contract delivery.
- Ensure that all suppliers report taxes paid to contracting authority.

- Disallow structures that disguise the true beneficial ownership of companies, such as shell companies and nominee directors, to enable greater clarity on who really controls the companies supplying the UK public sector.

Provide more collaborative public services that prioritise people over profit

- Place collaboration not competition at the heart of public services, removing unnecessary tendering and barriers to integrating services and partnership-based delivery, with statutory guidance and training for commissioners.
- Select service delivery partners based on alignment with their organisational purpose, how they use their profits, their commitment to pay UK taxes and their employment practices (e.g. paying the Real Living Wage).
- Designate some service areas outside the scope of market competition, to limit the extraction of profit such as children's services, where this is already happening in Wales.
- Recognise the role of social enterprises and co-operatives as purpose aligned partners through the use of reserved contracts.
- Ensure that mechanistic scoring mechanisms focused on "added social value" do not distort the commissioning of purpose-aligned partners.

Strengthen the 2012 Social Value Act

- Expand the mandate of the Act to not just consider social value but evaluate it within contract awards, as well as publishing evidence of the social value delivered including all services, goods and works commissioned.
- Invest in the culture, systems, language, guidance, standards, data and networks required to support full implementation of the Act.

A fair industrial revolution

New technology like data mining, machine learning and AI promises to revolutionise the economy but also brings significant challenges, including the concentration of wealth and power, and a deterioration in the quality of work, pay and conditions.

Data is a rapidly expanding resource that could add hundreds of billions of pounds to the UK economy,⁸ yet is currently hoarded by large businesses seeking to monopolise value. Meanwhile, an estimated 20% of the UK workforce will be significantly under-skilled for their jobs by 2030: around 6.5m people.⁹ People already at a disadvantage in the workplace - or outside of it - will be most acutely affected.

*The UK is a major contributor in the global emergence of businesses that distribute ownership, control and value among their users. **Signalise** is a sign language interpreting platform, run by and for the benefit of both interpreters and service users. **Open Food Network UK** is a co-operatively run e-commerce platform that enables food producers, community food hubs and consumers to sell and buy sustainably produced food. **Mydex** is building personal data stores that empower individuals to share their data efficiently while retaining agency and control. **Founders and Coders** are training people to create their own digital tools.*

If designed and used well, new technologies can be transformative. For our economic future to harness and share the benefits of new technologies, our next government can:

Support the creation of a data owning democracy

- A National Data Strategy must promote inclusive models in the exploitation of data, with a strong and clear focus on unlocking social value from data and empowering individuals, communities and small businesses.
- Promote and support mission-led businesses that empower individuals, communities and small businesses in the data economy – and support the development of knowledge and skills, ensuring access to innovation funding and unlocking options to raise private capital.

Unlock growth in businesses that – by design – empower working people and share wealth

- Ensure working people displaced or disadvantaged by technological change can access information, training and specialist support.
- Create the conditions to unlock private capital for mission-led businesses.
- Ensure all businesses owners and workforces can access information and support on the transition to a mission-led business as an option for exit, restructure, or alternative to closure.

Provide inclusive and empowering skills and employment support, especially for disadvantaged and marginalised in society

- Level the playing field for research and development (R&D) and associated skills development, recognising social and environmental infrastructure in tax relief.
- Replace the existing skills and apprenticeship regime with a Future Skills Fund that offers flexibility in course type, content and accessibility, including access to transport and subsidies for those in low pay areas of the economy.

⁸ HM Treasury 'The economic value of data' 2018 and UK Government 'National Data Strategy' 2022

⁹ Oxford Learning College 'Skills gap statistics UK' 2023

Help more businesses put a mission at their heart

Access to finance can be a challenge for all businesses, but mission-led businesses may face additional barriers when seeking to align finance with purpose. The challenge is not simply to mobilise investment but to attract and put it to work on the most difficult issues and in the most neglected areas of the country.

*Set up by 15-year-old Avey and her mother Helene to address the gender imbalance in STEM, **Girls into Coding** saw 144% turnover growth in a year after receiving a £4k Match Trading grant; Match Trading-backed businesses have produced a 29% uplift in trading income.¹⁰ Another social enterprise **IndiRock** used a £120k loan and £30k grant from the £50m Growth Fund to turn an empty Southend shopping centre unit into a thriving business and community hub that provides work experience for vulnerable young people. Blended finance models can achieve significant leverage by absorbing risk while attracting private and philanthropic co-investors; £71m from Dormant Assets has leveraged at least an additional £100m for charities and social enterprises (about £1.46 for every £1 spent).^k*

To help more organisations put a mission at the heart of their operations and build the future of British business, our next government can:

Ensure finance and funding reaches communities, from start-up to scale-up, by giving mission-led businesses access to appropriate finance at each stage of their lifecycle

- Support mission-led business in early stages by increasing access to enterprise development and investment readiness support, and enterprise grants.

- Address gaps in current provision of patient and blended finance by increasing the availability, flexibility and affordability of investment for mission-led businesses.
- Implement a Fair Banking Act to require mainstream banking institutions to report on their performance on addressing financial exclusion.
- Require government-backed institutions to consider how their investments help businesses move toward more environmentally/socially responsible models and democratic ownership.

Reform and renew tax incentives to deliver more social and community investment

- Use the tax code to incentivise social investment e.g. through community shares.
- Review the scope, scale and design of existing tax reliefs (learning from the experience of Social Investment Tax Relief and Community Investment Tax Relief) and develop better incentives to encourage more private investment in employee and community-owned, co-operative and social enterprises.
- Extend and expand existing guarantee schemes to support greater numbers of mission-led businesses.

Introduce a Better Business Act and introduce wider corporate governance reform around business reporting, governance and audit

- Implement the Better Business Act, which calls to change the Companies Act so that all UK companies align their interests with those of wider society and the environment.
- Ensure that all businesses of all sizes operating in the UK publish the fullest set of financial accounts.
- Implement previously agreed powers to mandate 'public country-by-country reporting' for larger multinationals operating in the UK – giving stakeholders the ability to know exactly how much income, profit and tax a firm is generating in the UK.

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Employee Ownership Association

Edsential

Fair Tax Foundation

GLL

Here

In Good Company

Locality

London Early Years Foundation

P3 Charity

Plunkett UK

Power to Change

Responsible Finance

School for Social Entrepreneurs

Social Enterprise Mark CIC

Social Enterprise Scotland

Social Enterprise UK

Social Investment Business

Urgent Health UK

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Please visit www.futureeconomyalliance.co.uk for more information. For any questions or to get involved in the Alliance, email contact@futureeconomyalliance.co.uk.

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